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TAGS: [PGOV](#) [PINR](#) [PREL](#) [KDEM](#) [EU](#) [BK](#)

SUBJECT: BOSNIA - PM SPIRIC MOVES FORWARD (FINALLY) ON  
STATE PROPERTY INVENTORY

¶1. (SBU) On April 9, Chairman of the Council of Ministers  
(CoM) Nikola Spiric (Serb) agreed to place the long overdue  
decision on an inventory of state property on the CoM agenda.

Spiric also agreed that the scope of the inventory should be  
consistent with the March 26 communique of the Peace  
Implementation Council (PIC) Political Directors. The CoM  
agreed to establish a working group to start the inventory  
process. For several months Spiric had been blocking CoM  
consideration of the inventory decision and attempting to  
inappropriately limit its scope, which would have prevented  
the state from receiving title to property it required to  
function. Spiric came under heavy criticism from most PIC  
delegations during the March 25-26 PIC for his stonewalling.  
In an April 7 meeting, the Ambassador warned Spiric that  
Washington was unhappy with his intransigence, and stressed  
that Spiric would find his meetings during an upcoming visit  
to Washington "uncomfortable" if he did act on the inventory.

The EU Foreign Ministers troika (Swedish FM Bildt, French FM  
Kouchner, and Czech FM Schwarzenberg) just visited Bosnia and  
also pressed the inventory issue hard in an April 8 meeting  
with Spiric.

Comment: What Next on State Property  
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¶2. (SBU) Three things are required to meet the PIC's  
objective of "an acceptable and sustainable resolution" of  
state property: 1) a properly conducted inventory; 2) an  
intergovernmental agreement between the state, entities, and  
Brcko District, which includes the list of assets allocated  
to each level of government; and, 3) a State Property Law  
that defines the procedures for implementing the settlement.  
The intergovernmental agreement should be an integral part of  
the law, incorporated as an annex. The long overdue progress  
on the inventory is welcome, and it was a necessary  
prerequisite for drafting an intergovernmental agreement.  
That said, the state and entity governments will need to  
agree on who gets what property, something that could easily  
bog down. The intergovernmental agreement will likely  
require significant facilitation and lobbying efforts by OHR  
and the international community. Finally, political leaders  
remain deeply divided over fundamental points on the law,  
particularly how state property should be registered. Bottom  
line: there is still a long way to go on state property.  
CEFKIN